

PORT OF  
TYNE

# ANNUAL REPORT

AND ACCOUNTS 2022

equinor

[portoftyne.co.uk](https://portoftyne.co.uk)



# BOARD OF DIRECTORS

## NON-EXECUTIVE DIRECTORS

- L V W ARMSTRONG  
Chair
- J PRESCOT  
Deputy Chair
- S CROSLAND  
(left 30 June 2022)
- G R BROWN  
(left 12 March 2023)
- M COMERFORD
- T BURKE
- J THOMAS
- K DENT  
(from 14 March 2022)
- N WALKER  
(from 1 July 2022)

## SECRETARY

- A J DAVISON

## EXECUTIVE DIRECTORS

- M H BEETON  
Chief Executive Officer
- M A STONER  
Chief Financial Officer
- A NICHOLSON  
Marine Director  
(from 20 July 2022)

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OUR YEAR IN NUMBERS

TURNOVER:  
**£48M**



ADJUSTED PROFIT  
BEFORE TAX:  
**£1.4M**



EBITDA:  
**£9.6M**



CAPITAL  
EXPENDITURE:  
(INC ONE-OFF GRANTS)  
**£9.7M**



CERTIFIED  
**OHSAS  
45001**  
QUALITY MANAGEMENT



**9 ROSPA  
GOLD  
AWARDS**  
OUTSTANDING PORT AWARD  
BRITISH PORTS ASSOCIATION



**5 YEAR**  
RENEWAL FOR THE INTERNATIONAL  
STANDARD FOR MARINE PILOT  
ORGANISATIONS (IPSO)

ENVIRONMENT

**20%**

CO<sup>2</sup> REDUCTION

DELIVERY OF:  
**2 HYBRID**  
MOBILE CRANES

**BIOFUEL  
TRIAL**

COMPLETED, 2023 SWITCH  
FOR PORT'S HGVS

REMOVED  
**50 TONNES**  
OF WASTE FROM  
THE RIVER TYNE

CUSTOMERS

FERRY CALLS UP:  
**UP 2%**

**1.78M**  
TONNES OF BULK  
CARGOES HANDLED

**0.25M**  
TEU (CONTAINERS)

NEW BRITISH CRUISE COMPANY, **AMBASSADOR**

INNOVATION & TECHNOLOGY

**5G** LAUNCH OF OUR  
SITE WIDE PRIVATE  
5G NETWORK  
(UK FIRST FOR A PORT)

NEW **VTS** SYSTEM  
BIGGEST MARINE  
SYSTEM INVESTMENT

OUR PEOPLE

**77**  
NEW STARTERS

**FIRST EVER MARINE  
APPRENTICE, SECOND  
TO START IN 2023**



# 1 ANNUAL REVIEW





# STATEMENT BY THE CHAIR

**As I reflect on the past twelve months, it is clear that, whilst the restrictions imposed during the pandemic are no longer with us, businesses continue to face a number of global challenges. Market uncertainties, the availability of commodities, soaring energy prices and the ongoing cost of living crisis have all provided additional challenges this year. Against this backdrop, the Port continues to make good progress, accelerating its transformational journey to deliver our ambitious Tyne 2050 strategy. This is, as ever, the result of the continued support of my Port colleagues and I thank them all for their hard work and commitment during the year.**

Whatever the international backdrop, the UK will remain a maritime trading nation and will continue to depend on its ports to facilitate trade and support economic growth, while also delivering a greener, more sustainable future. Ports have an essential role to play in the delivery of the Government's Net Zero targets and, in the process, can help to create and sustain jobs across our region and its coastal communities. The Port of Tyne is at the forefront of this drive towards a cleaner, greener future. We have made significant investments to reduce our carbon emissions and are firmly on target to be a Net Zero Port by 2030 and an All-Electric Port by 2040. This work is taking place alongside our strategies to support the development of clean energy and a thriving offshore cluster. The Port has a growing presence in support of the offshore wind revolution taking place on our doorstep in the North Sea, with our multi-million pound investment in site preparation continuing on the north and south banks of the Port's estate. We are now the home of Equinor / SSE's O&M base to support the Dogger Bank Offshore Wind Farm and, later this year, we look forward to welcoming Van Oord who have chosen the Port of Tyne as the base for their storage and foundation marshalling base for the Sofia Offshore Wind Farm.

In our drive to facilitate economic growth, the Port is an increasingly modern, outward-facing organisation working collaboratively with industry and regional partners to bring investment and create jobs. Our 2050 Innovation Hub continues to be a centre for collaborative and industry leading initiatives.

In 2022, together with a group of leading international ports, we launched the Maritime Data Cluster to facilitate the sharing of non-commercial data to achieve collective, workable solutions for the industry. Our 'Innovation for Growth' Programme for SMEs aimed to help businesses develop new routes to market and last year we were also delighted to launch regional skills programme together with a number of major employers and educational organisations to promote skills development across the region.

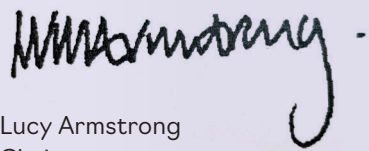
This is, of course, a particularly critical time for the North East as the region looks to harness the opportunities provided by devolution, building on our world class offshore engineering and green manufacturing industries, and working together to connect our regional assets to develop a new 'Green Superport'. There are clearly huge opportunities in working collaboratively with stakeholders across the region to create and sustain jobs, skills and accelerate our progress to being a world-leading industrial cluster based on Net Zero transition.

The role of the Port as a centre for collaboration and a catalyst for wider economic growth is firmly part of our remit as a Trust Port, and we also remain focused on our responsibilities to our diverse group of stakeholders. I was pleased to reconnect personally with many of them at our 'Connect' event in July which we were delighted to be able to hold in person for the first time since 2019. Our role as custodian of the River Tyne is also a responsibility we do not take lightly and I was equally delighted to attend the first meeting of our refreshed Port User Group last year with many of our river partners.

As the cost of living crisis brought continuing hardship to so many it was a huge privilege to be able to continue our work with a number of local community organisations. These included Bright Futures, which delivers Young Mums Groups in two deprived areas of South Tyneside and Meadow Well Connected, which piloted a Health and Wellbeing programme tackling social isolation and mental wellbeing. The year saw a number of new partnerships, including Smart Works to provide a virtual employment support service helping women to re-enter the job market and Groundworks North East, to support the delivery of a support scheme for Young Carers.

We are, of course, very fortunate to be able to work with so many talented and committed individuals at the Port. My fellow board member, Steve Crosland, stepped down from the board in June at the end of his term of office and I want to thank Steve for his support and guidance over the past six years. We were delighted to welcome two new board members, Nicola Walker and Kelly Dent, whose skills and experience are an invaluable addition to the team.

Finally, I want to pay tribute to all my Port colleagues and thank them once again for all that they have done this year. Thank you also to our customers and all of our stakeholders for their support and we look forward to continuing to work in partnership with you in the months and years ahead.



Lucy Armstrong  
Chair  
15th June 2023





# STATEMENT BY THE CHIEF EXECUTIVE OFFICER

**I joined the Port of Tyne in 2019 at a time when the business was still reliant on coal. Four years later and despite some challenges along the way – not least a global pandemic and war in Europe – the Port is in a very different place. When we launched our Tyne 2050 strategy in 2019 we set out our intentionally ambitious vision as a major logistics hub and a thriving offshore and manufacturing cluster. In 2022 we made some further major investments in support of this vision which are delivering a real transformation as we accelerate our journey to a digital and low carbon future.**

Whilst the impacts of the pandemic are now, largely, behind us here in the UK, businesses were faced with another set of global challenges last year including increased fuel prices and commodity shortages. The Port continues to make significant progress nonetheless. Our 'Customer First' initiative is delivering increased value for our customers and our transformation programmes are providing safer, cleaner and more efficient operations across the Port. We were delighted to sign new long term partnerships with a number of existing customers including Drax and EMR as well as Nissan, as we work with them to deliver their energy and automotive transition in the region. We also saw a particularly strong rebound in our cruise and ferry operations in 2022 with over half a million passengers travelling through the Port last year and an even stronger set of cruise bookings going forward. The Equinor and Dogger Bank quayside facility was also largely completed, signalling a new era for the Port, and this transformation was supported by our largest programme of investment in a decade.

A central pillar of our Tyne 2050 strategy is our commitment to delivering a cleaner, greener Port. In 2022 we delivered a 20% reduction in CO2 and we are well on target to achieve our Tyne 2050 goal of a Net Zero port by 2030, with full electrification of all Port assets before 2040. We have taken delivery of our first two hybrid electric cranes which will substantially reduce both emissions and fuel consumption and we are replacing our fleet of on-site vehicles with electric alternatives. In addition, we are investing in solar to deliver a net zero warehouse for our customers as well as trialling HVO with a view to utilising it as an alternative to diesel this year.

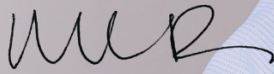
We are also making some really exciting investments in technology and infrastructure, delivering the UK's first port-wide private 5G network in partnership with BT and making our largest ever investment in marine services with a new state of the art VTS system from Saab to allow vessels to travel more safely and efficiently. Our 2050 Innovation Hub remains a focal point for collaboration with a host of exciting partnerships underway including the launch of the Maritime Data Cluster and three initiatives under the 'Clean Maritime Demonstrator Competition', including one project to establish a Clean Shipping Corridor in the North East. In June 2022 we also delivered the UK's inaugural Maritime Innovation Week, welcoming 500 delegates, industry leaders, ministers and officials to Newcastle, London and our virtual world to discuss innovation and technology in the maritime industry and beyond.

Perhaps, though, the most visible sign of our transformation is on the Port estate itself, with extensive remediation carried out as part of a multi-million pound investment programme at our 200-acre Tyne Clean Energy Park. This is creating a unique development platform at the Port for a growing offshore cluster on the Tyne with the O&M base for Equinor / SSE to service Dogger Bank now open and operational and Van Oord joining us later this year to base their storage and foundation marshalling base for the Sofia Offshore Wind Farm at the Port.

Of course none of this is possible without the contribution of all my Port colleagues and we continue to invest in our people so that we are truly 'Fit for the Future' as a modern, diverse workplace. Our second cohort of graduates joined us on our successful Changemakers Programme, working across the business in Operations, Technology, HSEQ and Engineering. Our apprentice programme also goes from strength to strength and we welcomed our very first Marine Apprentice to the business this year. We have also strengthened our Leadership Team and were delighted to welcome Ashley Nicholson MBE as our new Marine Director in January 2022.

There is, of course, much more still to do but we are making great progress and have laid the foundations – quite literally in some cases – for the next stages of our exciting journey. It was particularly pleasing, therefore, to be recognised last year by the British Ports Association which named the Port of Tyne as its 'Outstanding Port' for 2022. Our vision for the Port has always been as a catalyst for change and a driver of growth to bring jobs and investment to our communities. Now, with agreement reached on devolution for the North East we have perhaps a once in a generation opportunity to cement this vision by working collaboratively with our regional partners to generate growth and fully realise the North East's economic potential.

The past few years have certainly been interesting and challenging and I want to thank all of my colleagues for their hard work and commitment throughout this time, as well as our customers and stakeholders for their continuing support and encouragement. We are really excited about the opportunities ahead and look forward to working with you all to deliver our ambitious strategy as an exemplar for progressive ports and to generate investment and growth for our region.



Matthew Beeton  
Chief Executive Officer  
15th June 2023



# OUR MISSION, VISION & VALUES

**The Port of Tyne is a Trust Port. We are an independent statutory body, operating on a commercial basis for the benefit of our diverse community of stakeholders.**

Our board, leadership team and colleagues are custodians of the Port of Tyne, whose role it is to achieve our purpose of conserving, maintaining and future-proofing the Port for the benefit of generations to come.

Our mission is to create a vibrant and sustainable port contributing to the growth of the economy and region for future generations.

Our vision is to be the UK's safest, most progressive, customer focused and environmentally sustainable Port, and a great place to work.

Our values describe how we will achieve our vision. They reflect the culture of our company and are the guiding principles for how we do business; they are to be Open, Excellent, Respectful and Responsible.



# STRATEGIC OBJECTIVES

## SAFETY

Our aim is zero harm. Safety and support for our colleagues' health and well-being is our top priority. We will ensure a safe working environment for all and continue to build a constructive safety culture, refreshing and invigorating the safety message.

## ENVIRONMENT

We aim to be carbon neutral by 2030 and an 'All Electric Port' by 2040. We will act responsibly and make positive environmental choices, with due regard to commerciality and sustainability.

## ECONOMY

We will grow and develop the business by delivering excellent service for our customers, whilst increasing our participation in new and growth markets. We will continue to invest for the benefit of the Port, the river and the region.

## PEOPLE

We will continue to develop and reward our colleagues. We will measure our progress against our aim of being a great place to work, and develop a workplace culture that aligns with our values. We are committed to developing an inclusive and diverse workforce.

## STAKEHOLDERS

We will work with our stakeholders to facilitate economic prosperity, positively impacting the region and the communities in which we operate.

# COMMUNITY IMPACT

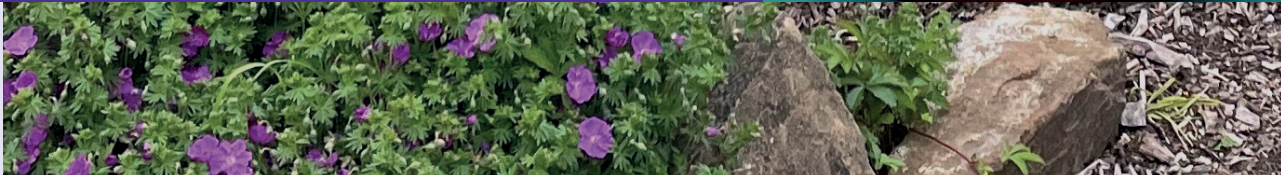
The Port of Tyne is committed to supporting its local communities by working with organisations that:

- Help communities to thrive
- Support children and young people
- Improve health and wellbeing in the communities around us

In 2022 the Port continued to support a wide range of local organisations. Beneficiaries included Bright Futures, to develop and deliver Young Mums / Mums to Be Groups in two highly deprived areas of South Tyneside,

Smart Works to provide a virtual employment support service helping women to re-enter the job market, Meadow Well Connected to deliver a Health and Wellbeing programme tackling social isolation and mental wellbeing, and Groundworks North East, to support the delivery of a support scheme for Young Carers. Support was also provided to the Greggs Foundation to run breakfast clubs in local schools.

In addition, the Port of Tyne Community Action Fund awarded grants to a number of local projects. These included Women's Health in South Tyneside, Support and Grow North East Limited, Kids Kabin, Apna Ghar Women's Centre, Action Station South Tyneside, Friends of Brierdene, Lovaine Community Garden Group and St Paul's Community Partnership.





# TYNE 2050

**Our Port continues to make significant progress towards its intentionally ambitious goals within 'Tyne 2050', aimed at realising the Port's potential to deliver regional economic growth and enhancing the communities in which we operate.**

**HEALTH & SAFETY**

To aid our growth ambitions, we are developing a Safety culture that is integrated, co-ordinated and responsible, ultimately focused on delivering Zero Harm across all of our activities.

**ENVIRONMENT**

We commit to lead the maritime industry in environmental sustainability, ensuring that our impact on the marine environment, climate and air quality will be negligible. Our commitment to Net Zero by 2030 remains on plan, and our sizeable reduction in carbon emissions during the year demonstrates solid progress towards this ambition.

**OUR CUSTOMERS**

Our customer plans focus on exceptional service, quality and innovation. Our attaining of the ISO 44001: Collaboration during 2022 will assist the Port in delivering excellence for our customers.

**OUR PEOPLE**

We define high performance culture as consistently achieving excellence in all we do. Throughout 2022 we have listened to feedback from our colleagues, improved on-site facilities, which has resulted in improvements in colleague satisfaction levels as measured under a 'Great Place to Work'.

**OUR COMMUNITIES**

We continue to support local communities and charities within the region, and retain our position as a regionally important employer alongside our navigational responsibilities. We aim to continue to integrate and actively support our communities and charities, with employment opportunities, support and encouraged colleague participation.

**INNOVATION & TECHNOLOGY**

Technology brings a wealth of opportunities to innovate and create additional benefits for customers choosing the Port of Tyne and the wider maritime sector. During the year, the 2050 Maritime Innovation Hub based at the Port continued to partner with regional and national groups to deliver innovative solutions to maritime challenges. In addition, the Port led the first Maritime Innovation Week during the year, bringing a wide range of industry experts together to discuss sectoral opportunities.

**SECURITY & RESILIENCE**

Aligning physical security and resilience with cyber is key to achieving our strategy as maritime moves further into the digital, connected world. The arrival of the Port's 5G site network during the year provides a base to deliver enhanced capability and security for the Port and its customers.

CARBON NEUTRAL  
BY 2030, THIS IS THE  
CENTRAL PILLAR OF  
TYNE 2050





# 2050 INNOVATION HUB

**The UK's first 2050 Maritime Innovation Hub is an exciting partnership with Port of Tyne, Drax, Offshore Renewable Energy Catapult (OREC), Nissan, Connected Places Catapult, Accenture, Royal HaskoningDHV, Ubisoft and the Department for Transport.**

The 2050 Maritime Innovation Hub inspires partners to collaborate to develop solutions to technological challenges facing the maritime sector and the wider logistics industry both nationally and globally. It acts as a catalyst for sharing ideas, harnessing research and development, advancing technology and tackling shared challenges.

The Maritime 2050 Innovation Hub works closely with the Department for Transport and MarRI-UK to ensure that it delivers for the benefit of the maritime sector, consistent with the aspirations of the UK's Maritime 2050 strategy.

Since opening in 2019, the 2050 Maritime Innovation Hub has delivered numerous outstanding achievements, including:

- Hosting the first ever Maritime Innovation Week, a 4-day celebration of innovation in the sector held in London and the North East.
- Creation of the Maritime Data Cluster, a world wide community focused on sharing non-commercial data for the benefit of all.
- Creating a blueprint for decarbonisation of UK ports and exploring the feasibility around Green Shipping Corridors via funding granted by the Department for Transport.
- Establishing testbeds for clean energy and technology development including the use of our own port wide private 5G network. Providing proof of concept testing opportunities for innovators looking to demonstrate value and marketability.
- Successful trials for alternative fuel and clean energy production, and development of the first Carbon Literacy Toolkit for maritime.
- Launching the Maritime Innovation Skills Programme for leaders in the sector, sharing our knowledge and insights with other ports and their wider supply chains.
- Providing an example of best practice and inspiration for other UK ports, raising awareness about how the maritime industry can benefit from advanced technology.
- Creating a network involving business, academia and industry to help create new business opportunities.





# HEALTH AND SAFETY

THE PORT CONTINUED TO PRIORITISE PROVISION OF A SAFE WORKPLACE FOR ALL COLLEAGUES, INCLUDING A FOCUS ON MINIMISING RISKS TO MENTAL HEALTH.

In Q3 2022, the Port transitioned to an integrated management system joining Occupational Health & Safety with Quality and Environment; aligning procedures, processes and responsibilities together to allow a smoother and more effective running of the system in future years.

The Port was awarded the Royal Society for the Prevention of Accidents (RoSPA) Gold Award for the ninth year running.

- **Certified to ISO 45001 for all Port Operations**
- **Certified to ISO 9001 for Bulk Loading and Unloading Operations**
- **RoSPA Gold Medal holders: 9 consecutive years of RoSPA Gold Award**
- **Number of lost time injuries: 6 (All reportable under RIDDOR)**





ENVIRONMENTAL

In 2022 the Port retained ISO:14001 certification and combined it with its other management systems (ISO9001 and 45001) to create an Integrated Management System. This requires organisations to demonstrate “continuously enhanced environmental performance” and to do this the Port of Tyne has incorporated key improvement targets.

2023 Energy and Carbon Objectives

- 1. 10% reduction in CO2
- 2. 5% reduction in energy (both electric and other sources i.e. diesel)

The Port completed trials of HVO in its HGV fleet in 2022 and it is intending to switch to this fossil free alternative in the near future. In relation to Port plans for electrification, these were unfortunately delayed as a result of supply chain issues, however the Port now has two hybrid mobile cranes that are capable of running solely on electric during vessel operations.

STREAMLINED ENERGY AND CARBON REPORTING

The Port’s total energy consumption in 2022 totalled 20.8M KWh, with location-based CO2 emissions totaling 4,813 tonnes and market-based CO2 emissions totaling 3,483 tonnes. In comparison with 2021 this is a reduction of 4.9M kWh (19%) in energy consumption while location-based and market-based CO2 emissions reduced by 1,395 tonnes (22%) and 974 tonnes (22%) respectively.

INTENSITY RATIOS – MARKET BASED EMISSIONS

In 2022 the Port performed 233k TEU movements and handled 1.78M tonnes of bulk cargoes.

The container handling operations (excluding HGV transport) consumed 2.57M kWh of energy which equates to 11.01 kWh per TEU. In relation to CO2, total emissions from this operation were 556 tonnes which equates to 2.38kg of CO2 per TEU.

The bulk cargo handling operation consumed 6.23M kWh of energy which equates to 3.49 kWh per tonne of cargo handled. In relation to CO2, total emissions from this operation were 1,281 tonnes which equates to 0.72kg of CO2 per tonne of cargo handled.

METHODOLOGY

Emission factors are from taken from the UK Government GHG Conversion Factors for Company Reporting – Year 2022 Full Set Version 2 and reporting is in line with the UK Government’s Environmental Reporting Guidelines.

Emissions reported are CO2e and based on the Gross CV of fuels.



WE ARE ON TRACK TO MEET OUR TYNE 2050 COMMITMENT TO ACHIEVE NET ZERO GHG EMISSIONS BY 2030 AND TO BE AN ALL ELECTRIC PORT BY 2040.



# FINANCIAL AND ACTIVITY STATISTICS

The Port of Tyne encompasses two principal trading entities: the Port of Tyne Authority and a wholly owned subsidiary, Tyne Logistics Company Limited. The Group also owns a number of other subsidiaries, although these did not trade in the year.

Whilst turnover increased slightly in the year by 1% to £48m, adjusted profit before tax, which excludes revaluation of investment properties, decreased from £1.7m to £1.4m. Reported profit before tax reduced to a loss of £(3.5)m, principally as a result of non-cash movement in the revaluation of investment properties, driven by lower yields originating from adverse external market indices.

Car volumes decreased by 9% to 252k from 277k in 2021, as the market continued to struggle with the world-wide semi-conductor shortage. Bulk volumes handled reduced 37% from 2.9mt in 2021 to 1.8mt in 2022, largely due to temporary reduction in demand of biomass. This shortfall is largely covered financially by contractual recovery in the commercial agreement.

Passenger numbers continued their post covid recovery and reached 545K, increasing from 98K in 2021. Cruise calls totalled 32 in the year, increasing from 24 calls in 2021.

Capital expenditure incurred was £9.7m, primarily relating to investment in a new harbour mobile crane.

A summary of our Key Financial Indicators are shown in the table below.

	2022 £M	2021 £M	CHANGE £M
Turnover	48.0	47.3	0.7
EBITDA	9.6	10.6	(1.0)
Adjusted Profit Before Tax *	1.4	1.7	(0.3)
Profit/ (Loss) Before Tax	(3.5)	6.9	(10.4)
Profit/ (Loss) After Tax	(4.4)	2.7	(7.1)
Cash Flow from Operating Activities	6.6	9.9	(3.3)
Capital Expenditure	9.7	13.7	(4.0)
Net Borrowings	28.1	26.0	(2.1)
Net Assets	121.2	123.4	(2.2)

## ADJUSTED PROFIT BEFORE TAX

	2022 £M	2021 £M	CHANGE £M
Adjusted Profit Before Tax	1.4	1.7	(0.3)
Less:			
Revaluation of Investment Properties	(4.9)	3.2	(8.1)
Other Operating income	0.0	2.0	(2.0)
Profit/ (Loss) Before Tax	(3.5)	6.9	(10.4)

The table below outlines the level of activity relating to the Port’s business areas in metrics that are relevant to the performance of each.

Port of Tyne Business Area Statistics	2022	2021	CHANGE
Conventional and Bulk Cargoes (tonnes 000's)	1,786	2,855	(1,069)
Car Terminals (number of cars 000's)	252	277	(25)
Cruise and Ferry (passenger numbers 000's)	545	98	447
Broken down by:			
Cruise	72	40	32
Ferry	472	58	414
Cruise and Ferry (vessel numbers)	364	350	14
Broken down by:			
Cruise	32	24	8
Ferry	332	326	6
Logistics (containers – TEU 000's)	52	55	(3)

# ECONOMIC IMPACT AND STAKEHOLDER BENEFIT

The Port of Tyne’s stakeholders are its customers, colleagues, the Government, the business community and the local community.

The impact of the Port of Tyne on the regional economy is measured annually through an Economic Impact Assessment conducted by external consultants ARUP.

Their report showed that the Gross Value Added (GVA) by the Port to the regional economy was £693m (2021: £579m). The increase is a result of many factors including the increase in activity

in the passenger terminal as a result of Cruise calls returning, as well capital investment and the impact that has on local suppliers.

As a Trust Port, the Port of Tyne supports the community and provides a range of benefits to local organisations and charities alongside facilitating port tours, fund-raising events and staff volunteering.



PRINCIPAL RISKS & UNCERTAINTIES

REPORT OF THE BOARD

The Board meets on a monthly basis to review financial information and matters reserved for the Board and to exercise full control over the business. The roles of Chair and Chief Executive Officer are separate and clearly defined. The Non-Executive Chair and Non-Executive Directors, who comprise the majority of the Board, are appointed by the Secretary of State for the Department for Transport and are subject to the process laid down in the Nolan Committee Report. The term of office is for a specified period, normally three years.

BOARD COMMITTEES

The Board operates a number of permanent committees:

- (i) The Audit Committee - principal duties are to assist the Board in discharging its responsibilities to maintain the integrity of the financial statements, financial plans and budget, and to monitor the effectiveness of the systems of internal control and risk management across all aspects of the business including, but not limited to, health and safety, the environment and operations. It also reviews the effectiveness of the internal and external auditors and the objectivity of the external auditor.
- (ii) The Nominations and Remuneration Committee - determines the remuneration and benefits of executive directors, manages associated incentive schemes, and assists the Board in reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, making recommendations to the Board with regard to any changes. Previously this operated as two Committees, but has been merged from December 2022.

CORPORATE GOVERNANCE

The Directors are committed to high standards of corporate governance and have implemented systems of corporate governance compliant with the principles of the Ports Good Governance Guidance. In 2001 the Port of Tyne was classified as a 'public corporation' by the Office of National Statistics and as a result, since that date, the Port's borrowings, albeit an insignificant part of the total, have been included within the Public Sector Borrowing Requirements.

The Ports Good Governance Guidance is based on a number of other documents, particularly the UK Corporate Governance Code and the Port Marine Safety Code, and reflects the 2016 Trust Port Study recommendations. It covers corporate governance, stakeholder engagement, and provision of information, safety and commercial accountability and the ongoing review of the suitability of the Trust Port model.

INTERNAL CONTROL AND RISK MANAGEMENT

The Directors are responsible for the business's system of internal control. Such a system provides reasonable but not absolute assurance against material loss or misstatement.

Key procedures that have been established include an organisational structure with clear operating procedures, lines of responsibility and delegated authority. In particular, there are defined procedures for:

- capital investment covering appraisal and authorisation
- financial reporting within a comprehensive financial planning and accounting framework
- internal audit to monitor the system of internal control and risk management
- the procurement of goods and services

The Directors have reviewed the effectiveness of the system of internal control for the accounting year and the period to the date of the approval of the financial statements in accordance with recognised best practice.





**GOING CONCERN**

After making due enquiries, including consideration of recent and forecast trading performance, cash flow forecasts and banking facilities, the Directors have reasonable expectation that the Port of Tyne Authority has adequate resources to continue in operational existence for the foreseeable future.

For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

**POLICY AND PRACTICE ON PAYMENT OF CREDITORS**

The business is responsible for agreeing the terms and conditions under which business transactions with its suppliers are conducted. Payments to suppliers are made in accordance with these terms, provided that suppliers also comply with all other relevant conditions. At the end of the financial year, the weighted average payment term to the Port’s suppliers was 47 days (2021 – 42 days).

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

Political contributions of less than £1k were made in the year (2021: £2k). Charitable donations amounted to £14k (2021 £35k).

**DISCLOSURE OF INFORMATION TO THE AUDITORS**

The Directors who held office at the date of approval of this Directors’ Report confirm that, so far as they are each aware, there is no relevant audit information of which the business’s auditors are unaware; and, having made enquiries of fellow Directors and the business’s auditor, each member has taken all the steps that he/she ought to have taken as a member to make himself/herself aware of any relevant audit information and to establish that the Port of Tyne Authority’s auditors are aware of that information.

**RISK MANAGEMENT SYSTEM**

The Port operates a risk management system that captures material and strategic regulatory, commercial, operational, financial and people risks. Mitigating controls are designed for all material risks identified with resulting actions incorporated into Business Plans and extended to senior

management personal objectives as appropriate. Material risks are formally reviewed, scored and ranked with updates provided to the Board of any changes to these risks.

**KEY RISKS AND UNCERTAINTIES**

**Regulation and compliance**  
Regulatory risks are associated with post Brexit, energy and environmental requirements. Changes in policy and regulation can have a material impact upon the Port including the impact of new energy sources, compliance with new regulation and environmental requirements.

**Economic changes**  
Risks to the Port include changes to economic conditions, customer markets, changes in the competitor set and failure to transition to new markets. This includes any impact as a result of the conflict in Ukraine with respect to products imported from or exported to that area, and the associated impact on customer markets and availability of supplies.

**Price and Cost changes**  
Cost increases as a result of higher supplier input costs and inflation more generally are a risk to the Port’s ongoing financial profitability, albeit this is somewhat mitigated by clauses within customer contracts and trading agreements.

**Operational continuity**  
Risks relating to operational continuity include safety of operation, resource availability, operational capacity levels and appropriate infrastructure and equipment. Changes in global supply routes due to congestion at European ports and post Covid-19 shipments of product are both a risk and an opportunity for the Port.

**Covid-19**  
The impact of Covid-19 continues to drive a range of risks including operational, customer and economic, albeit these risks are significantly reduced following the relaxation of UK Government restrictions.

**Funding**  
Funding risk includes being able to access appropriate funding to allow business expansion, which is crucial if the Port is to exploit new and emerging opportunities.





ATTENDANCE

Six Board meetings, three Audit Committee meetings, one Remuneration Committee meetings, one Nominations Committee meeting and one Nomination and Remuneration Committee were held during the year.

The table opposite shows the number of meetings attended by each Board member.

BOARD REMUNERATION

The Remuneration Committee determines the remuneration and benefits of Executive Directors. Fees for the Non-Executive Chairman and Non-Executive Directors’ duties are determined by the Board on the advice of the Remuneration Committee.

DIRECTOR	BOARD MEETINGS	AUDIT COMMITTEE MEETINGS	REMUNERATION COMMITTEE MEETINGS	NOMINATIONS COMMITTEE MEETINGS	NOMINATIONS & REMUNERATION COMMITTEE
M Beeton	5	2*	1*	1	1
M Stoner	6	3*			
A Nicholson	2				
L Armstrong	6		1	1	
S Crosland	2		1		
G Brown	6	3			
J Prescott	6			1	1
M Comerford	6	2			
T Burke	6	3			
J Thomas	6		1		1
K Dent	5				1
N Walker	3				

\* In attendance but not as a committee member

REMUNERATION POLICY

The Port aims to reward its people fairly and responsibly in a manner that will best serve the interests of its stakeholders.

The Port has a formal Remuneration Policy which is designed to attract, retain and motivate its leaders within a framework which will drive and support organisation strategy and promote the long term success of the organisation.

All elements of executive remuneration are periodically reviewed by the Nominations and Remuneration Committee of the Board, (the Committee) against comparative benchmarked data and the organisation’s policy is to remunerate appropriately, given such data.

REMUNERATION FRAMEWORK

ELEMENT	PURPOSE AND STRATEGY	OPERATION	OPPORTUNITY	PERFORMANCE MEASURES
EXECUTIVE DIRECTORS				
Base salary	To attract and retain high calibre individuals.  Set to reflect the market.	Reviewed annually with changes effective from January each year, with benchmarking (along with all benefits) carried out every three years, or as appropriate, by the Committee against the remuneration packages for executives in similar roles in organisations of a comparable size. Paid monthly in cash.	No prescribed maximum.  Appropriate annual increases are determined by the Committee.	Performance Reviews are undertaken annually.
Benefits	To support a competitive remuneration package in the market place.	Benefits include provision of a car allowance cash equivalent payment, private medical health care and life assurance.	No maximum limit is prescribed as the cost of providing benefits fluctuates. However, the Committee carefully monitors, on an annual basis, the overall cost of the benefit provision.	None.
Pension	To support a competitive remuneration package in the market place.	The Port makes contributions into a defined contribution Group Personal Pension plan.	The Port contributes 15% of salary.	None.
Annual Incentive Plan	To reward individual achievement through a combination of a Performance Targets in line with the organisation’s strategic plan and Trust Port objectives.	Paid annually after assessment of achievement following the audit of the accounts.	Up to 60% of basic salary is available on the achievement, and overperformance, against the Performance Targets.	The Performance Targets will be agreed by the Committee at the beginning of the relevant year.
NON-EXECUTIVE DIRECTORS				
Non-executive Directors’ Fees	To attract and retain high quality and experienced Non-Executive Directors.	The remuneration of Non-Executive Directors, including the Chair and Deputy Chair is proposed by the Nominations and Remuneration Committee for approval by the Board. The Chairs of the Audit Committee and Nominations and Remuneration Committee are paid an additional fee to reflect the extra work involved, unless this role is fulfilled by the Chair / Deputy Chair. Non-Executive Directors are not eligible for pension scheme membership, or incentive arrangements.	Fees are set at levels which reflect the commitment and contribution expected from Non-Executive Directors and are appropriately benchmarked against peer organisations every three years, or as appropriate.	Collective performance assessment carried out annually. Individual Performance Reviews are undertaken annually.



CONSIDERATION OF EMPLOYMENT  
CONDITIONS ACROSS THE PORT

The Port, through its focus on People, recognises the vital role of all of its colleagues and trains, develops and rewards all those who work for the Port in a challenging, supportive and safe environment.

The Port’s policy is to reward its people fairly for their contribution to the organisation. This includes a competitive basic salary which is reflective of a colleague’s skills, experience and responsibility and which is reviewed annually. The business operates a Profit Share Scheme, where a percentage of the organisation’s adjusted profit before tax is distributed to colleagues. This ensures that colleagues not only contribute to the performance of the business but also share in its success. As Executive Directors participate in the Port’s annual incentive plan detailed above they are not eligible to receive any profit share payments.

In setting its Remuneration Policy for Executive and Non-executive Directors, the Committee takes into consideration its impact and compatibility with remuneration across the Port. The Committee is provided throughout the year with information regarding pay and benefits for the wider workforce which gives appropriate context for the Committee to make informed decisions. Differences in salary levels and in the levels of potential reward are dependent upon seniority and responsibility. A proportion of the Executive Directors’ remuneration package is delivered through performance-related pay, which links to the strategy and key objectives of the organisation.

RECRUITMENT REMUNERATION

The Nominations and Remuneration Committee will aim to set a new Executive Director’s remuneration package in line with the organisation’s approved policy at the time of appointment. The Committee will take into account the skills and experience of the candidate, the prevailing market rates and the importance of securing the best available candidate. The Committee may also structure an appointment package that it considers appropriate to recognise awards or benefits that may be forfeited on resignation from a previous

position. Other payments may be made in relation to relocation expenses and other incidental expenses as appropriate.

Fees for new Non-executive Directors will be set in accordance with approved levels at the time of appointment.

SERVICE CONTRACTS

It is the organisation’s policy that all Executive Directors have service contracts in place which detail the terms of their appointment and remuneration packages and which can be terminated by the organisation giving a minimum of 26 weeks’ notice by the organisation and 26 weeks’ notice by the Executive Director.

POLICY ON TERMINATION

If an Executive Director’s employment is to be terminated, the Port’s policy is to seek to agree a termination payment based on the value of base salary, contractual pension amounts and other benefits that would have accrued during the contractual notice period. As appropriate at the time, the departing director may work or be placed on garden leave for all or part of his notice period, or receive a payment in lieu of notice in accordance with the service agreement.

The Nominations and Remuneration Committee will consider the circumstances in each case and has discretion to negotiate settlement terms with the Executive Director that the Committee considers to be reasonable and in the best interest of the organisation and to enter into a Settlement Agreement with the Executive Director to effect the terms agreed.

Non-Executive Directors’ appointments may be terminated without compensation.

Details of remuneration (excluding employer pension contributions) are given below:

Information in this part of the annual report on remuneration is audited unless stated otherwise.

	BASIC SALARY £	BOARD FEES £	OTHER BENEFITS £	TOTAL* 2022 £	TOTAL* 2021 £
NON-EXECUTIVE DIRECTORS:					
L V W Armstrong		53,060		53,060	53,060
M Comerford		14,857		14,857	14,857
S Crosland (until 30 June 2022)		9,454		9,454	18,908
M Preece (until 30 June 2021)		-		-	13,265
G Brown (left 12 March 2023)		18,908		18,908	18,908
J Prescott		26,530		26,530	18,748
T Burke		14,857		14,857	14,857
J Thomas		16,670		16,670	14,857
K Dent (from 14 March 2022)		11,943		11,943	-
N Walker (from 1 July 2022)		7,428		7,428	-
EXECUTIVE DIRECTORS:					
M H Beeton (from 7 Jan 2019)	245,400		25,766	271,166	261,069
M A Stoner (from 1 Feb 2018)	156,793		10,725	167,517	176,518
M G Brockhouse (until 17 September 2021)	-			-	117,968
A Nicholson (from 20 July 2022)	94,167		26,831	120,997	-
Total for 2022	<u>496,359</u>	<u>173,707</u>	<u>63,321</u>	<u>733,387</u>	
Total for 2021	<u>503,238</u>	<u>167,460</u>	<u>52,317</u>		<u>723,015</u>

\* Where applicable, totals include benefits earned in that year, but actually paid in the following year.  
\*\* A Nicholson appointed as executive director on 20 July 2022, figures in table above represent earnings from employment commence date of 31 January 2022

Other Benefits include incentive payments earned during the year, provision of company cars (or cash in lieu), pension allowance, private medical health care, life assurance and permanent health insurance, living accommodation and taxable expenses.



PENSIONS

In addition to the benefits outlined under ‘Service Contracts’ above, all of the Executive Directors are also members of the Group Personal Pension Scheme, a defined contribution scheme, to which the business contributes a percentage of pensionable salary excluding death in service benefit, which is provided separately.

Further details are given in the table below:

Information in this part of the annual report on remuneration is audited unless stated otherwise.

[This table has been audited]

	EMPLOYERS CONTRIBUTION RATE	TOTAL 2022 £	TOTAL 2021 £
M H Beeton	15%	37,080	36,000
M A Stoner	15%	23,639	22,950
M G Brockhouse	15%	-	16,536
A Nicholson	15%	14,222	-

DIRECTORS OF THE PORT OF TYNE

The Directors of the Port of Tyne are listed on page 1.

DIRECTORS’ INTERESTS IN CONTRACTS

Except as disclosed in note 28, there are no contracts subsisting with the Authority or its subsidiaries in which any member of the Authority is materially interested.

INCENTIVE SCHEMES

There is a single incentive schemes in place for Leadership Team members, being an annual performance-related incentive scheme linked to both financial and other common objectives.

A profit share scheme is in place for all other colleagues, enabling them to share in the performance of the business.

By order of the Board of Directors

Andrew Davison LL.B OBE

Secretary

15th June 2023

Maritime House

Tyne Dock

South Shields

Tyne and Wear

NE34 9PT





# STATEMENT OF BOARD OF DIRECTORS RESPONSIBILITIES

**The Board of Directors is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.**

The Board of Directors of the Port of Tyne Authority are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and Authority and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and Authority will continue in business

The Board of Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the group and Authority and enable them to ensure that the financial statements comply with Section 42 of the Harbours Act 1964, as amended by the Transport Act 1981.

They are also responsible for safeguarding the assets of the group and Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Authority's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.





# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF PORT OF TYNE AUTHORITY

### OPINION

We have audited the financial statements of the Port of Tyne Authority (the parent authority) and its subsidiaries (the group) for the year ended 31 December 2022 which comprise the Group Income Statement, the Group and Authority Statement of Comprehensive Income, the Group and Authority Statement of Changes in Equity, the Group and Authority Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the parent authority's affairs as at 31 December 2022, and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Harbours Act 1964, as amended by the Transport Act 1981.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and the parent authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent authority or to cease operations, or have no realistic alternative but to do so.







**AUDITOR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the authority itself and the industry in which it operates. We identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussions with the directors and other management. The most significant were identified as the Harbours act 1964, as amended by the Transport Act 1981, FRS 102, relevant tax legislation and health and safety regulation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements.

Our audit procedures included:

- Confirming with directors and management, including the Chief Financial Officer, whether they have any knowledge or suspicion of fraud.;
- Confirming with the directors and management the controls in place around governance and the trust structure of the Authority;
- Assessing the entity level control environment through review of board and audit committee minutes and internal audit reports;
- Assessing the risk of management override of controls, including identifying and testing a sample of journal entries;
- Challenging the assumptions and judgements made by management in its significant

accounting estimates, principally the valuation of investment properties and the authority’s defined benefit pension scheme obligations.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to the inherent limitations of audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor’s report.

**USE OF OUR REPORT**

This report is made solely to the authority’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the authority’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the authority and the authority’s members as a body, for our audit work, for this report, or for the opinions we have formed.

**Donna Bulmer BA (Hons) ACA  
(Senior Statutory Auditor)**  
**For and on behalf of Haines Watts  
North East Audit LLP**  
**Chartered Accountants  
Statutory Auditors**  
17 Queens Lane  
Newcastle upon Tyne  
NE1 1RN





# 2 FINANCIAL STATEMENTS

## GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 £000'S	2021 £000'S
<b>Turnover</b>	2	47,951	47,277
Operating costs		(37,830)	(36,978)
<b>Gross profit</b>		<b>10,121</b>	<b>10,299</b>
Administrative expenses		(7,874)	(7,868)
<b>Gross operating profit</b>		<b>2,247</b>	<b>2,431</b>
Other operating income	4	2,066	2,066
(Loss) / gain on revaluation of investment properties	10	(4,891)	3,193
Profit / (loss) on disposal of fixed assets		97	(139)
<b>(Loss) / profit before interest and taxation</b>		<b>(2,547)</b>	<b>7,551</b>
Net interest and other expenses	5	(993)	(617)
<b>(Loss) / profit on ordinary activities before taxation</b>		<b>(3,540)</b>	<b>6,934</b>
Tax charge on profit on ordinary activities	8	(896)	(4,265)
<b>(Loss) / profit for the financial year</b>		<b>(4,436)</b>	<b>2,669</b>



GROUP AND AUTHORITY  
STATEMENT OF  
COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

GROUP STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2022 £000'S	2021 £000'S
(Loss) / profit for the financial year		(4,436)	2,669
Remeasurement gain recognised on defined benefit schemes	22	1,321	1,620
Tax charge relating to pension liability	8	(376)	(437)
<b>Total other comprehensive income</b>		<b>945</b>	<b>1,183</b>
<b>Total comprehensive (loss) / income for the year</b>		<b>(3,491)</b>	<b>3,852</b>

AUTHORITY STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2022 £000'S	2021 £000'S
(Loss) / profit for the financial year		(7,262)	289
Remeasurement gain recognised on defined benefit schemes	22	1,321	1,620
Tax charge relating to pension liability	8	(376)	(437)
<b>Total other comprehensive income</b>		<b>945</b>	<b>1,183</b>
<b>Total comprehensive (loss) / income for the year</b>		<b>(6,317)</b>	<b>1,472</b>

GROUP AND AUTHORITY  
STATEMENT OF  
CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

GROUP STATEMENT OF CHANGES IN EQUITY

	P&L RESERVE £000'S	NON DISTRIBUTABLE RESERVE £000'S	TOTAL RESERVES £000'S
At 1 January 2021	82,591	36,965	119,556
(Loss) / profit for the year	(524)	3,193	2,669
Other comprehensive income	1,183	-	1,183
Total comprehensive income for the year	659	3,193	3,852
<b>At 31 December 2021</b>	<b>83,250</b>	<b>40,158</b>	<b>123,408</b>
Profit / (loss) for the year	455	(4,891)	(4,436)
Other comprehensive income	945	-	945
Total comprehensive income for the year	1,400	(4,891)	(3,491)
<b>At 31 December 2022</b>	<b>84,650</b>	<b>35,267</b>	<b>119,917</b>

AUTHORITY STATEMENT OF CHANGES IN EQUITY

	P&L RESERVE £000'S	NON DISTRIBUTABLE RESERVE £000'S	TOTAL RESERVES £000'S
At 1 January 2021	74,738	40,211	114,949
(Loss) / profit for the year	(2,904)	3,193	289
Other comprehensive income	1,183	-	1,183
Total comprehensive (loss) / income for the year	(1,721)	3,193	1,472
<b>At 31 December 2021</b>	<b>73,017</b>	<b>43,404</b>	<b>116,421</b>
Loss for the year	(2,371)	(4,891)	(7,262)
Other comprehensive income	945	-	945
Total comprehensive (loss) / income for the year	(1,426)	(4,891)	(6,317)
<b>At 31 December 2022</b>	<b>71,591</b>	<b>38,513</b>	<b>110,104</b>



GROUP  
BALANCE  
SHEET

AT 31 DECEMBER 2022

	NOTES	2022 £000'S	2021 £000'S
<b>Fixed assets</b>			
Tangible assets	10	178,010	180,985
<b>Current assets</b>			
Stocks	12	596	617
Debtors	13	8,699	8,855
Cash at bank and in hand	14	7,833	6,481
		17,128	15,953
<b>Creditors:</b> amounts falling due within one year	15	(7,487)	(8,948)
<b>Net current assets</b>		9,641	7,005
<b>Total assets less current liabilities</b>		187,651	187,990
<b>Creditors:</b> amounts falling due after more than one year	16	(36,000)	(32,500)
<b>Provisions for liabilities</b>	19	(18,457)	(17,130)
<b>Deferred Income</b>	20	(10,792)	(10,377)
<b>Net assets excluding pension liability</b>		122,402	127,983
<b>Pension liability</b>	22	(2,485)	(4,575)
<b>Net assets including pension liability</b>		119,917	123,408
<b>Reserves</b>			
Profit and loss account	23	84,650	83,250
Non distributable reserves	23	35,267	40,158
<b>Reserves</b>		<b>119,917</b>	<b>123,408</b>

The financial statements were approved and authorised for issue by:

L V W Armstrong  
Chair  
15th June 2023

M H Beeton  
Chief Executive Officer  
15th June 2023

AUTHORITY  
BALANCE  
SHEET

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 £000'S	2021 £000'S
<b>Fixed assets</b>			
Tangible assets	10	179,292	181,680
Investment in subsidiary	11	1,280	1,280
		180,572	182,960
<b>Current assets</b>			
Stocks	12	596	617
Debtors – due within one year	13	6,896	6,641
Cash at bank and in hand	14	5,699	3,251
		13,191	10,509
<b>Creditors:</b> amounts falling due within one year	15	(15,592)	(12,177)
<b>Net current assets / (liabilities)</b>		(2,401)	(1,668)
<b>Total assets less current liabilities</b>		178,171	181,292
<b>Creditors:</b> amounts falling due after more than one year	16	(36,000)	(32,500)
<b>Provisions for liabilities</b>	19	(18,790)	(17,419)
<b>Deferred Income</b>	20	(10,792)	(10,377)
<b>Net assets excluding pension liability</b>		112,589	120,996
<b>Pension liability</b>	22	(2,485)	(4,575)
<b>Net assets including pension liability</b>		<b>110,104</b>	<b>116,421</b>
<b>Reserves</b>			
Profit and loss account	23	71,591	73,017
Non distributable reserves	23	38,513	43,404
<b>Reserves</b>		<b>110,104</b>	<b>116,421</b>

The financial statements were approved and authorised for issue by:

L V W Armstrong  
Chair  
15th June 2023

M H Beeton  
Chief Executive Officer  
15th June 2023



GROUP STATEMENT  
OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 £000'S	2021 £000'S
Net cash inflow from operating activities	24	6,610	9,863
Investing activities			
Interest received		2	-
Payments to acquire tangible fixed assets		(8,806)	(12,752)
Receipts from sale of tangible fixed assets		102	2,797
Net cash outflow from investing activities		(8,702)	(9,995)
Financing activities			
Interest paid		(962)	(517)
Grants received		906	8,517
New long term loans		3,500	-
Repayment of long term loans.		-	(7,500)
Net cash inflow from financing activities		3,444	500
Increase in cash in the year		1,352	408
Cash and cash equivalents at 1 January	24	6,481	6,073
Cash and cash equivalents at 31 December	24	7,833	6,481

NOTES TO THE  
FINANCIAL STATEMENTS

AT 31 DECEMBER 2022

1. ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

Port of Tyne Authority is a Trust Port, established by an Act of Parliament. The registered Office is Maritime House, Tyne Dock, South Shields, NE34 9PT. The Group's financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the Group for the year ended 31 December 2022.

BASIS OF PREPARATION AND GOING CONCERN

The financial statements of Port of Tyne Authority were approved for issue by the Board of Directors on 15th June 2023. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £'000.

After making due enquiries, including consideration of recent and forecast trading performance, cash flow forecasts and banking facilities, the Directors have reasonable expectation that the Port of Tyne Authority has adequate resources to continue in operational existence for the foreseeable future.

For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Authority and its subsidiary undertakings made up to 31 December 2022. No income statement is presented for Port of Tyne Authority as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date

of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method.

In the parent authority financial statements investments in subsidiaries and joint ventures are accounted for at cost less impairment.



JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

• Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in the income statement. The Group engaged CBRE to determine fair value as at 31 December 2022. The determined value is most sensitive to estimated yield and void periods. The key assumptions used to determine the fair value are further explained in note 10. The valuation prepared by CBRE is subject to internal review by suitably qualified individuals, and is adjusted when considered to be materially different to management’s expectation of property value.

Following this internal review of the valuation as at 31 December 2022, the CBRE figures have been used for all assets with the exception of the Nissan car terminal. An element of the value for this site is derived from a per unit charge, the value of which is dependant upon assumed volumes. The volume assumptions within the CBRE valuation are based upon the past five years, which in our view have been suppressed by Covid and automotive supply chain issues. Management have therefore adjusted the CBRE valuation to be based on their current best estimate of annual throughput for the site based on more recent trends and forecast activity. This has had the impact of increasing the valuation of the car terminal by £2.7m

Under the “removal of undue cost or effort exemptions” of FRS102 – we have elected in the Authority not to revalue investment properties rented to another group entity, instead they are held at deemed cost at the date of transition. This election has no impact at a Group level, where these properties were already held as Operational Properties.

• Categorisation of properties

A property will be classified as investment property if the intention is to let it to one or more third parties throughout the medium term or beyond. Investment properties are held at fair value, with changes in value being recognised in the income statement. Operational properties are carried at depreciated historic cost. The categorisation of properties into these two categories therefore represents an area of judgement which may lead to material change in the value of the asset held on the balance sheet and the amounts recognised through the income statement.

• Pension benefits

The costs of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 22.

• Operating lease commitments:

The Group has entered into property, vehicle and trailer operating leases and, as a lessee, it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

1. ACCOUNTING POLICIES (CONTINUED)

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - CONTINUED

• Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

SIGNIFICANT ACCOUNTING POLICIES

a. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Infrastructure (including roads, piers and swing bridge) – 15 to 100 years

Operational buildings (including quays) – 25 to 50 years

Dredging of a capital nature – 25 to 100 years

Plant & Machinery – 3 to 45 years

No depreciation is provided on freehold land.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

b. Investment Properties

Certain of the Group’s properties are held for long term investment. Investment properties are accounted for as follows:

- Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure
  - Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the income statement and accumulated in the profit and loss reserve unless a deficit below original cost or its reversal on an individual property is expected to be permanent, in which case it is recognised in the income statement for the year.
- Further details are given within the Judgements and key sources of estimation uncertainty section on page 48.

c. Revenue Recognition

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenue is recognised when services are physically provided to the customer and represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of consideration due.

Amounts receivable under annual bulk handling contracts including Take or Pay guaranteed annual tonnage clauses are recognised as physically handled. Any contractual amounts due as a result of a shortfall against the guaranteed tonnage due under these contracts in a given contractual period are recognised only when there is a contractual right to receive the amount due.



1. ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Amounts receivable under operating leases, including any benefits or incentives given, are recognised on a straight-line basis over the period of the lease to the first contractual break date, even if the payments are not made on such a basis.

Where payments are received in advance of services provided, the amounts are recorded as Deferred Income and are included as part of Creditors due within one year.

d. Government grants, capital contributions and relocation contributions

Government grants and capital contributions are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met.

Grants and contributions in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful life of the relevant assets by equal annual instalments.

Grants and contributions of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

e. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each item to its present location and condition. Provision is made for obsolete, slow-moving or defective items where appropriate.

f. Provisions for liabilities

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

g. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

h. Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in operating costs.

i. Exceptional items

The Group presents as exceptional items on the face of the income statement, those material items of income and expense that, because of the nature and expected frequency of the events giving rise to them, merit separate presentation to allow stakeholders to understand better the elements of financial performance in the period, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

j. Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

1. ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

k. Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income statement.

l. Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the assets useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the income statement on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

m. Post-retirement benefits

The Authority operates and participates in a number of funded and unfunded pension schemes. For defined benefit schemes, the cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or curtailment occurs, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.



1. ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

m. Post-retirement benefits

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the income statement in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the benefits are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

For defined contribution schemes, contributions are recognised in the income statement in the period in which they become payable.

The capital cost of unfunded pensions is charged to the income statement in the accounting period in which those pensions are granted.

The Group participates in a number of multi-employer defined benefit pension schemes. Where the Group is unable to determine its share of the assets and liabilities on a consistent and reliable basis it accounts for these schemes as if defined contribution schemes.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities, stated net of value added tax, including the sale of any property assets previously held by our Estates business.

The Group operates in a number of Port related activities which are listed below. Sales were all made within the UK.

	2022 £000'S	2021 £000'S
Conventional and Bulk	18,428	19,627
Car Terminals	4,972	5,468
Cruise and Ferry	3,750	3,251
Logistics	14,384	13,095
Estates	4,276	3,414
	45,810	44,855
Income from third party activities	2,141	2,422
<b>Total Turnover</b>	<b>47,951</b>	<b>47,277</b>

Income from third party activities primarily consists of conservancy and pilotage income associated with traffic emanating from third party river users. Income from these sources attributable to the Port's five main service lines has been allocated accordingly.



3. PILOTAGE

The following information is provided in accordance with the provisions of Statutory Harbour Undertakings (Pilotage Financial Statements) Regulations 1988:

	2022 £000'S	2021 £000'S
Income from pilotage (included in turnover):		
Pilotage services	2,502	3,124
Use of pilotage exemption certificates	247	219
	<b>2,749</b>	<b>3,343</b>
Expenditure:		
Provision of pilotage services (included in operating costs)	907	937

The pilotage income above includes £353,000 (2021 - £407,000) in relation to the PNPf levy, a surcharge introduced to recover the incremental costs associated with the Ports financial liabilities in connection with the Pilots National Pension Fund (PNPF).

This levy was introduced in 2013 and the total amount billed to date is £3,345,000 (2021 - £2,992,000).

4. OTHER OPERATING INCOME

Capital grant income of £906k was received in the year (2021 - £8,517k). Of this, none related to investment properties (2021 - £2,066k). This receipt is held as deferred income and will be released under the accrual method against the depreciation of the assets to which the grant relates.

5. NET INTEREST AND OTHER EXPENSES

	NOTES	2022 £000'S	2021 £000'S
Interest payable			
- on bank loans		(962)	(515)
- other		3	(2)
Other finance costs	22	(34)	(100)
<b>Net interest and other expenses</b>		<b>(993)</b>	<b>(617)</b>

6. OPERATING PROFIT / (LOSS)

	NOTES	2022 £000'S	2021 £000'S
Auditors' remuneration			
Group - audit		48	48
Authority - audit (included above)		38	38
Depreciation and other amounts written off tangible fixed assets:			
Depreciation - owned		7,696	8,151
Hire of plant and machinery			
Rentals payable under operating leases		668	503
Furlough income		-	(67)
Release of grants	20	(429)	(302)
Release of relocation contribution	20	(62)	(62)
Foreign exchange differences		12	8



7. STAFF COSTS

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Wages and salaries	13,829	12,795	11,460	10,827
Social security costs	1,488	1,322	1,237	1,122
Other pension costs:				
- Net current service cost within operating profit (note 22)	107	154	107	154
- Past service cost within operating profit (note 22)	-	-	-	-
- Loss on plan changes	-	182	-	182
- Other pension costs	818	855	699	761
	16,242	15,308	13,503	13,046

The average number of persons, excluding contractors, employed by the Group (including Directors) during the year was as follows:

	GROUP 2022 No.	GROUP 2021 No.	AUTHORITY 2022 No.	AUTHORITY 2021 No.
Directors of the Authority	10	10	10	10
General management and administration	57	51	57	51
Engineering	31	31	31	31
Marine services & security	50	51	50	51
Bulk cargo	43	40	43	40
Cruise and Ferries	20	17	20	17
Logistics	122	118	60	63
	333	318	271	263

Including Contractors, the average number of Full Time Equivalents (FTEs) employed by the Group in 2022 was 340 (2021: 343). At the end of the year the number of FTEs was 338 (2021: 346). Details of the emoluments of the directors of the Authority are given in the Report of the Board.

8. TAX

(a) Tax charge on ordinary activities. The tax charge is made up as follows:

	NOTES	2022 £000'S	2021 £000'S
Current tax:			
UK corporation tax on the profit for the year		146	698
Adjustments in respect of prior periods		(55)	8
<b>Total current tax</b>		<b>91</b>	<b>706</b>
Deferred tax:			
Origination and reversal of timing differences		690	3,544
Effect of changes in tax rates		219	-
Adjustment in respect of previous years		(104)	15
<b>Total deferred tax</b>	<b>19</b>	<b>805</b>	<b>3,559</b>
<b>Tax charge on profit on ordinary activities</b>		<b>896</b>	<b>4,265</b>

(b) Tax included in Group statement of comprehensive income. The tax charge is made up as follows:

	NOTES	2022 £000'S	2021 £000'S
Current tax:			
UK corporation tax relating to pension liability	19	(146)	(98)
<b>Total current tax</b>		<b>(146)</b>	<b>(98)</b>
Deferred tax:			
Effect of tax rate change on opening balance		125	-
Movement on deferred tax relating to pension liability	19	397	535
<b>Total deferred tax (note 20)</b>	<b>19</b>	<b>522</b>	<b>535</b>
<b>Total tax (credit) / charge</b>		<b>376</b>	<b>437</b>



(c) Factors affecting the total tax charge for the year:  
The tax assessed for the year is more than the rate of corporation tax in the UK of 19% (2021 – 19%).  
The differences are explained below:

	NOTES	2022 £000'S	2021 £000'S
Profit / (Loss) on ordinary activities before tax		(3,540)	6,934
Tax on ordinary activities multiplied by the rate of corporation tax in the UK of 19% (2021 – 19%)		(673)	1,317
<b>Effects of:</b>			
Expenses not deductible for tax purposes		950	(1,912)
Fixed asset differences		490	820
Income not taxable		(121)	-
Losses carried back		188	-
Other		3	-
Adjustment in respect of prior periods – current tax		(55)	8
Adjustment in respect of prior periods – deferred tax		(104)	(826)
Adjust opening deferred tax to prevailing rate		218	4,858
<b>Total tax expenses for the year</b>	<b>8a</b>	<b>896</b>	<b>4,265</b>

(d) Factors affecting future tax charges  
In the Chancellor's March 2021 Budget, it was announced the rate of UK corporation tax will remain at 19% for the next two years before increasing to 25% from April 2023. This change was substantively enacted on 24 May 2021 and so the deferred tax balance is calculated on this basis.

9. INTANGIBLE FIXED ASSETS

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises.  
Goodwill associated with the acquisition of Tyne Logistics Company Limited was amortised over five years. Group cost of £682K has been fully amortised, unchanged since 2019.





10. TANGIBLE FIXED ASSETS (GROUP)

	FREEHOLD LAND AND BUILDINGS £000'S	INVESTMENT PROPERTY £000'S	INFRA- STRUCTURE £000'S	DREDGING £000'S	CRAFT, PLANT AND MACHINERY £000'S	CAPITAL WORKS IN PROGRESS £000'S	TOTAL £000'S
Cost or valuation:							
At 1 January 2022	123,170	75,630	6,841	10,939	58,638	7,243	282,461
Additions	954	547	-	144	4,490	3,484	9,619
Transfers	1,096	-	18	33	1,378	(2,525)	-
Disposals	(19)	-	-	-	(651)	-	(670)
Reclassification	(145)	149	-	-	(4)	-	-
Revaluation	-	(5,040)	-	-	-	-	(5,040)
At 31 December 2022	125,056	71,286	6,859	11,116	63,851	8,202	286,370
Depreciation							
At 1 January 2022	51,992	-	4,254	4,594	40,636	-	101,476
Charge for the year	3,711	-	179	366	3,441	-	7,697
On disposals	(14)	-	-	-	(650)	-	(664)
Reclassification	(145)	149	-	-	(4)	-	-
Revaluation	-	(149)	-	-	-	-	(149)
At 31 December 2022	55,544	-	4,433	4,960	43,423	-	108,360
Net book value:							
At 31 December 2022	69,512	71,286	2,426	6,156	20,428	8,202	178,010
At 1 January 2022	71,178	75,630	2,587	6,345	18,002	7,243	180,985
Leased assets included in the above:							
Net book value at 31 December 2022	-	-	-	-	2	-	2
Net book value at 1 January 2022	-	-	-	-	2	-	2

10. TANGIBLE FIXED ASSETS (AUTHORITY)

	FREEHOLD LAND AND BUILDINGS £000'S	INVESTMENT PROPERTY £000'S	INFRA- STRUCTURE £000'S	DREDGING £000'S	CRAFT, PLANT AND MACHINERY £000'S	CAPITAL WORKS IN PROGRESS £000'S	TOTAL £000'S
Cost or valuation:							
At 1 January 2022	120,323	81,856	6,842	10,939	49,463	7,225	276,648
Additions	954	547	-	144	4,483	3,484	9,612
Transfers	1,096	-	18	33	1,358	(2,505)	-
Disposals	(19)	-	-	-	(650)	-	(669)
Reclassification	(145)	149	-	-	(4)	-	-
Revaluation	-	(5,040)	-	-	-	-	(5,040)
At 31 December 2022	122,209	77,512	6,860	11,116	54,650	8,204	280,551
Depreciation							
At 1 January 2022	51,033	-	4,254	4,594	35,087	-	94,968
Charge for the year	3,565	-	179	366	2,994	-	7,104
On disposals	(14)	-	-	-	(650)	-	(664)
Reclassification	(145)	149	-	-	(4)	-	-
Revaluation	-	(149)	-	-	-	-	(149)
At 31 December 2022	54,439	-	4,433	4,960	37,427	-	101,259
Net book value:							
At 31 December 2022	67,770	77,512	2,427	6,156	17,223	8,204	179,292
At 1 January 2022	69,290	81,856	2,588	6,345	14,376	7,225	181,680
Leased assets included in the above:							
Net book value at 31 December 2022	-	-	-	-	2	-	2
Net book value at 1 January 2022	-	-	-	-	2	-	2



10. TANGIBLE FIXED ASSETS (CONTINUED)

Under the “removal of undue cost or effort exemptions” – we have elected in the Authority not to revalue Investment properties rented to another group entity, instead they are held at deemed cost at the date of transition.

This election has no impact at a Group level, where these properties were already are held as Operational Properties.

Included within land and buildings is an amount of £14,393,280 (2021 – £14,067,756) relating to land which is not depreciated.

Freehold land and buildings (other than investment properties), which include owner occupied property assets and specialised marine assets, are held at historic cost.

Investment properties, which are all freehold, continue to be valued on an open market existing use basis and a full revaluation was performed as at 31 December 2022 by CBRE. The CBRE valuation of the Nissan car terminal was adjusted by management – further details are noted on page 48.

The critical assumptions made relating to the valuations are set out below:

	2022	2021
Yield range – Industrial	6-12%	6-11%
Yield range – Offices	11-13%	9.5-11%
Yield range – Land, including surfaced and unsurfaced areas	4.5-12%	5 -13%
Current void (based on anticipated demand)	12-24mths	12-24mths

Movements in the fair value of investment properties are as follows:

	GROUP £000'S	AUTHORITY £000'S
Fair value: -		
At 1 January 2022	75,630	81,856
Additions	547	547
Surplus on valuation	(5,040)	(5,040)
Reclassification	149	149
At 31 December 2022	71,286	77,512

The depreciated historic cost of investment properties held at fair value is as follows:

	GROUP £000'S	AUTHORITY £000'S
At 31 December 2022	32,615	34,358
At 1 January 2022	30,003	31,892

11. FIXED ASSET INVESTMENTS

AUTHORITY

	SUBSIDIARY UNDERTAKINGS £000'S
Cost and net book value:	
At 31 December 2021	1,280
At 31 December 2022	1,280

The undertakings in which the Group's interest at the year end is more than 20% are as follows:

	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY	% OF ORD. SHARES HELD BY GROUP	% OF ORD. SHARES HELD BY AUTHORITY
Subsidiary undertakings				
Tyne Logistics Company Limited	UK	Container handling	100%	100%
Port of Tyne Logistics Limited	UK	Dormant	100%	100%
North East Ports Limited	UK	Dormant	100%	100%
Port of Tyne Plc	UK	Dormant	100%	100%

12. STOCKS

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Raw materials and consumables	596	617	596	617

13. DEBTORS

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Trade debtors	6,687	7,079	4,973	4,974
Other debtors	1,470	896	1,460	896
VAT	-	306	-	306
Corporation Tax	57	-	57	-
Prepayments	485	574	406	465
	8,699	8,855	6,896	6,641



14. CASH AND SHORT-TERM DEPOSITS

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Cash at bank and in hand	7,833	6,481	5,699	3,251

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Trade creditors	793	1,740	704	1,531
Taxation and social security	604	424	557	361
Other creditors	814	684	813	681
Accruals and deferred income	5,276	5,496	4,914	5,109
Corporation tax	-	604	-	5
Amounts owed to Group undertakings	-	-	8,604	4,490
	7,487	8,948	15,592	12,177

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Bank loans - £30m term loan	30,000	30,000	30,000	30,000
RCF loan	6,000	2,500	6,000	2,500
	36,000	32,500	36,000	32,500

17. LOANS

Loans repayable, included within creditors may be analysed as follows:

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Wholly repayable within five years	36,000	32,500	36,000	32,500

In late 2018 a £60m refinancing package was secured with Lloyds Bank Commercial Banking. This was signed in early January 2019. This five-year agreement comprises a £30m RCF and a £30m term loan. RCF interest is LIBOR + 1.45% pa, term loan interest is LIBOR +1.2% for years 1 to 3, and LIBOR + 1.4% in years 4-5.

The purpose of the Lloyds facilities is to refinance existing loans and to finance current and future expansion plans of the business. Monies drawn are secured on a number of assets at Tyne Dock, South Shields.

18. BORROWING POWERS (AUTHORITY)

In July 2008 a Harbour Revision Order granted Port of Tyne Authority unlimited borrowing powers.

19. PROVISIONS FOR LIABILITIES

(a) Group and Authority - Deferred Tax

The amounts provided for deferred tax and the full potential charge calculated at 25% (2021 – 25%) are set out below:

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
At beginning of the year	17,130	13,036	17,419	13,266
Charge to income statement	805	3,559	849	3,618
Charge to statement of total other comprehensive income	522	535	522	535
At end of the year	18,457	17,130	18,790	17,419

The elements of deferred tax are as follows:

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Difference between accumulated depreciation and amortisation and capital allowances	13,681	12,415	13,179	11,869
Other short term timing differences	(1,525)	(1,540)	(1,520)	(1,535)
Tax losses carried forward	(317)	-	(317)	-
Charged in SOCI	522	-	522	-
Capital Gains	6,096	6,255	6,926	7,085
Deferred tax liability	18,457	17,130	18,790	17,419



20. DEFERRED INCOME

Group and Authority

(a) Grants and capital contributions

	2022 £000'S	2021 £000'S
At the beginning of the year	9,183	3,034
Grants received	906	6,451
Released to income statement (note 6)	(429)	(302)
At the end of the year	9,660	9,183

(b) Relocation contributions - grants

	2022 £000'S	2021 £000'S
At the beginning of the year	1,194	1,256
Released to income statement (note 6)	(62)	(62)
At the end of the year	1,132	1,194
<b>Total</b>	<b>10,792</b>	<b>10,377</b>

21. COMMITMENTS

(a) Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Contracted	5,077	3,596	5,077	3,593

(b) Future minimum rentals payable under non-cancellable operating leases are as follows:

Group

	2022 £000'S	2021 £000'S
Future minimum rentals payable:		
Within one year	584	385
In the second to fifth years inclusive	745	396
	1,329	781

Authority

	2022 £000'S	2021 £000'S
Future minimum rentals payable:		
Within one year	232	48
In the second to fifth years inclusive	579	101
	811	149

(c) Operating Lease agreements where the Group is lessor:

The Group holds a proportion of its estate as investment properties, as disclosed in note 10, which are let to third parties. Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2022 £000'S	2021 £000'S
Not later than one year	4,092	2,599
After one year but not more than five years	11,484	7,876
After five years	16,217	16,245
	31,793	26,720



22. PENSION SCHEMES

The Authority participates in a number of pension schemes of the defined benefit type. The assets of these schemes are held in separate trustee administered funds and contributions are made in accordance with the advice of qualified actuaries.

(a) i - Funded schemes – The Authority’s defined benefit schemes

The major single employer schemes are the Port of Tyne Authority Superannuation Pension Scheme (PTASPS) and the Port of Tyne Authority Docks Pension Scheme (PTADPS).

Contributions to these schemes are determined on the basis of triennial valuations using the projected unit method. Both of these schemes were closed to future accrual as at March 2021.

The most recent actuarial valuations of the PTASPS and the PTADPS submitted to the regulator were as at 31 December 2019. These valuations show the PTASPS with a deficit of £51,000 and the PTADPS with a deficit of £1,670,000. These equate to a funding ratio for the schemes of 100% and 85% respectively. The agreed recovery plans commit the Port to contributions for the PTASPS towards the shortfall in funding on the secondary funding objective of £90,000 from 2021 to 2027; and for the PTADPS towards the deficit and the shortfall in funding on the secondary funding objective of £347,000 from 2021 to 2027.

There were no outstanding contributions relating to the Port’s defined benefit pension schemes as they are both closed to future accrual.

At the year end, the schemes also owed the Port £189,267 (2021: £193,355), which primarily includes the monthly pensioner payrolls which are processed by the Port and recharged to the schemes, offset by the outstanding contributions referred to above.

The results of these calculations have been updated to 31 December 2022 by a qualified independent actuary. The major assumptions used by the actuary were as follows:

	2022 PTASPS	2021 PTASPS	2022 PTADPS	2021 PTADPS
Discount rate	4.85%	1.80%	4.85%	1.80%
Inflation (RPI) pre 2030	3.25%	3.40%	3.25%	3.40%
Inflation (RPI) post 2030	2.95%	3.10%	2.95%	3.10%
Inflation (CPI) pre 2030	2.25%	2.40%	2.25%	2.40%
Inflation (CPI) post 2030	2.95%	3.10%	2.95%	3.10%
Rate of pension increase pre 2030	2.25%	3.40%	2.25%	2.40%
Rate of pension increase post 2030	2.95%	3.10%	2.95%	3.10%
Life expectancy (yrs)				
Retiring today - Male	21.2	21.2	21.2	21.2
Retiring today - Female	23.4	23.6	23.4	23.6
Retiring in 20 yrs - Male	22.1	22.1	22.1	22.1
Retiring in 20 yrs - Female	24.6	24.8	24.6	24.8

22. PENSION SCHEMES (CONTINUED)

(a) ii - Funded schemes – multi employer defined benefit scheme – Pilots National Pension Fund (PNPF)

The PNPF is a centralised multi-employer defined benefit scheme for non-associated employers. It provides benefits for employed and self-employed maritime pilots upon retirement and also on death before or after retirement.

The Fund is administered by a separate Trustee company which is legally separate from the Port. The Trustee Directors are required by law to act in the interests of all relevant beneficiaries and are responsible for the Fund’s investment policy and day to day administration.

The organisation is responsible for its own share of the total liabilities of the Fund, together with a proportionate share of the orphan liabilities of the Fund, i.e. those liabilities that cannot be attributed to another participating company.

The most recent actuarial valuation of the PNPF submitted to the regulator was as at 31 December 2019. This valuation showed a deficit of £159m, which equates to a funding ratio for the scheme of 67%.The Port of Tyne share of this deficit was 2.0776%. The participating bodies of the scheme have agreed a recovery plan with the Trustees lasting until 2028, the Port of Tyne contribution to this increases annually, with £446k due to be paid in 2021, rising to £578k in 2028.

The results of these calculations have been updated to 31 December 2022 by a qualified independent actuary. The major assumptions used by the actuary were as follows:

	2022	2021
Discount rate	4.90%	2.00%
Inflation (RPI)	3.20%	3.10%
Inflation (CPI)	2.30%	2.40%
Rate of salary increase	2.30%	2.40%
Rate of pension increase	3%-.7%	3%-.6%
Life expectancy (yrs)		
Retiring today - Male	21.6	21.6
Retiring today - Female	24	23.9
Retiring in 20 yrs - Male	22.6	22.6
Retiring in 20 yrs - Female	25.1	25.1



22. PENSION SCHEMES (CONTINUED)

The assets and liabilities of the schemes at 31 December are:

	PNPF £000'S	PTASPS £000'S	PTADPS £000'S	2022 £000'S	2021 £000'S
Equities	1,985	-	-	1,985	2,872
Government bonds	1,115	-	-	1,115	1,955
Corporate bonds	762	2,007	1,796	4,565	6,283
Property	-	3,036	1,406	4,442	4,944
Index linked bonds	-	8,342	2,377	10,719	21,016
Multi Asset	-	7,221	1,464	8,685	10,413
Other	1,253	470	575	2,298	2,834
Fair value of scheme assets	5,115	21,076	7,618	33,809	50,317
Present value of funded defined benefit obligations	(6,718)	(19,305)	(8,500)	(34,523)	(52,329)
(Deficit) / Surplus	(1,603)	1,771	(882)	(714)	(2,012)
Unrecognised Surplus	-	(1,771)	-	(1,771)	(2,563)
(Deficit) / Surplus	(1,603)	-	(882)	(2,485)	(4,575)

The pension plans have not invested in any Group properties or any other assets used by the Group.

The surplus in the Superannuation scheme has not been recognised. Whilst the Trustees have discretion to return any surplus funds to the employer, it is not an obligation.

The amounts recognised in the Group income statement and in the Group Statement of Comprehensive Income are analysed as follows:

Recognised in the income statement

	PNPF £000'S	PTASPS £000'S	PTADPS £000'S	2022 £000'S	2021 £000'S
Current service cost (net of members contributions)	(107)	-	-	(107)	(154)
Loss/(gain) on plan changes	-	-	-	-	(182)
Admin charge	(19)	-	-	(19)	(25)
Recognised in arriving at operating profit	(126)	-	-	(126)	(361)
Net interest on defined benefit pension plan obligation	(47)	47	(34)	(34)	(100)
Total recognised in the income statement	(173)	47	(34)	(160)	(461)

Taken to other comprehensive income

	PNPF £000'S	PTASPS £000'S	PTADPS £000'S	2022 £000'S	2021 £000'S
Actuarial gain/(loss) on the liabilities	2,503	8,669	4,476	15,648	2,305
Return on assets excluding interest income	(1,880)	(9,598)	(3,641)	(15,119)	1,878
Remeasurement gain/(loss) recognised in other comprehensive income	623	(929)	835	529	4,183
Unrecognised Surplus	-	792	-	792	(2,563)
Recognised in OCI	623	(137)	835	1,321	1,620



22. PENSION SCHEMES (CONTINUED)

Movements in present value of defined benefit obligation

	PNPF £000'S	PTASPS £000'S	PTADPS £000'S	2022 £000'S	2021 £000'S
At 1 January	9,552	29,569	13,208	52,329	55,975
Current service cost	107	-	-	107	154
Loss/(gain) on plan changes	-	-	-	-	182
Interest cost	185	513	234	932	738
Contributions by members	30	-	-	30	31
Actuarial (gains)/ losses	(2,503)	(8,669)	(4,476)	(15,648)	(2,305)
Benefits paid	(653)	(2,108)	(466)	(3,227)	(2,446)
At 31 December	6,718	19,305	8,500	34,523	52,329

Movements in fair value of plan assets

	PNPF £000'S	PTASPS £000'S	PTADPS £000'S	2022 £000'S	2021 £000'S
At 1 January	7,007	32,132	11,178	50,317	49,258
Interest income on scheme assets	138	560	200	898	638
Return on assets excluding interest income	(1,880)	(9,598)	(3,641)	(15,119)	1,878
Contributions by employer	492	90	347	929	983
Contributions by members	30	-	-	30	31
Benefits paid	(653)	(2,108)	(466)	(3,227)	(2,446)
Expenses paid	(19)	-	-	(19)	(25)
At 31 December	5,115	21,076	7,618	33,809	50,317

(b) Funded schemes – defined contribution schemes

The Group operates and participates in a number of defined contribution schemes for which the charge for the year was £773,522 (2021 – £771,112).

There were £130,814 outstanding contributions at the end of the year relating to these defined contribution schemes (2021 – £113,037). All employer contributions were paid over in the month following the period to which they relate.

(c) Unfunded arrangements

The Authority has commitments for unfunded pension liabilities in respect of former colleagues. The charge for the year was £2,610 (2021 – £3,860).

23. RESERVES

Profit and loss account  
This records cumulative profit and loss.  
Non distributable reserves  
This reserve records any excess of fair value over depreciated historic cost for investment properties.

24. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to operating cash flows

	2022 £000'S	2021 £000'S
Group operating profit	2,247	2,431
Depreciation, amortisation and impairment charges	7,696	8,151
Release of grants and capital contributions (note 6)	(429)	(302)
Release of relocation contribution (note 6)	(62)	(64)
(Increase)/Decrease in stocks	21	(80)
(Increase)/Decrease in debtors	156	(744)
Increase/(Decrease) in creditors	(2,304)	1,318
Corporation tax paid	(603)	(516)
Non cash element of pension charge	(112)	(331)
Net cash inflow from operating activities	6,610	9,863

(b) Cash and cash equivalents

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Cash and cash equivalents	7,833	6,481	5,699	3,251



25. CONTINGENT LIABILITIES

Defined Benefit Pension Schemes

The Port of Tyne currently makes, or in due course may be required to make, contributions to two industry wide defined benefit pension schemes which have various funding levels. The Port's ability to control these schemes is limited and therefore any impact on the Port's future cash flows and cost base from these schemes is uncertain. Further details on these schemes are set out in note 22, sections (a)ii and (b).

26. OFF BALANCE SHEET ARRANGEMENTS

The Group and parent entity enters into operating lease arrangements for the hire of buildings and plant and equipment as these arrangements are a cost effective way of obtaining the short term benefits of these assets. The Group lease rental expense is disclosed in note 6 and the future Group and entity commitments under these arrangements are disclosed in note 21. There are no other material off-balance sheet arrangements.

27. FINANCIAL INSTRUMENTS

	GROUP 2022 £000'S	GROUP 2021 £000'S	AUTHORITY 2022 £000'S	AUTHORITY 2021 £000'S
Financial assets that are debt instruments measured at amortised cost				
Cash (note 14)	7,833	6,481	5,699	3,251
Trade debtors (note 13)	6,687	7,079	4,973	4,974
Other debtors (note 13)	1,470	896	1,460	896
Financial liabilities measured at amortised cost				
Loans (note 17)	36,000	32,500	36,000	32,500
Trade creditors (note 15)	793	1,740	704	1,531

28. RELATED PARTY DISCLOSURES

The port made no related party transactions.

The key management personnel are considered to be those directors listed on page 31 of the Report of the Board.

29. CONTROLLING PARTY

Control of the Port of Tyne Authority is vested in the Board of Directors.

30. POST BALANCE SHEET EVENTS

In June 2023 a £100m refinancing package was secured with Pricoa, UK Investment Bank, and Lloyds Bank Commercial Banking. This ten year agreement comprises a £45m fixed loan notes, a £50m capex facility, and a £5m RCF.

Interest is payable on the loan notes at 7.64%. The margin payable on the capex facility is 3.39% above SONIA if floating, 3.25% above UK Gilt Rate if fixed. The margin payable on the RCF is 3.00% above SONIA. The structure of the facility provides that the margins increase in steps in the event that leverage exceeds x6 .

The purpose of the facilities is to refinance existing loans and to finance current and future expansion plans of the business. Monies drawn are secured on a number of assets at Tyne Dock, South Shields.





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